



Empire Electric Association, Inc.

801 N. Broadway P.O. Box K Cortez, CO 81321-0676 Phone (970) 565-4444
www.eea.coop

November 17, 2016

Gary Widerburg, Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South, Fourth Floor
P. O. Box 45585
Salt Lake City, Utah 84145

Dear Mr. Widerburg:

Empire Electric Association, Inc. (Empire) is enclosing herewith an original and five (5) copies of the following documents as a filing pertaining to proposed rate tariff updates:

- Copy of a public notice to be published in the San Juan Record the last week of November 2016.
- Copies of notices sent to the Rural Utilities Service and the National Rural Utilities Cooperative Finance Corporation.
- Copies of the following rate tariffs proposed to become effective January 1, 2017:
 - 26th Revised CO-UT No.3 Sheet 3, Residential – Single-Phase
 - 2nd Revised CO-UT No.3 Sheet 4A, General Service – Single-Phase
 - 2nd Revised CO-UT No.3 Sheet 5A, Irrigation – Single-Phase
 - 4th Revised CO-UT No.3 Sheet 9, Power Cost Adjustment Clause

The only substantive changes are increases in the Grid Access Charge of the single-phase Residential, General Service, and Irrigation tariffs. Our most recent cost of service study showed that these increases are warranted. The Residential Grid Access Charge will go from \$30.73 to \$32.00, General Service will go from \$30.65 to \$32.00, and Irrigation will go from \$30.70 to \$33.00. The updated Grid Access Charges will allow Empire to earn a 3.78% rate of return on the Residential – Single Phase rate class, 3.99% on the General Service – Single Phase, and 1.53% on the Irrigation – Single Phase.

There are also grammatical and formatting changes for each tariff listed above. These changes are meant to bring consistency to the format and clarity to the language of each.

These changes are being sent to you without formal Commission hearing as authorized under Utah Code Section 54-7-12. Please stamp one copy "filed" and return to us for our files in the enclosed envelope. A copy is being sent to the Division of Public Utilities as well. We have also sent a copy of the tariffs electronically to psc@utah.gov. Should you need any additional information, contact our Executive Secretary, Denise Rosenbaugh, at denise.rosenbaugh@eea.coop.

To answer questions about the updates, a public meeting is scheduled for 2:00 p.m., Wednesday, December 14, 2016 at the City of Monticello's office located at 17 North 100 East, Monticello, Utah, 84535.

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Public Service Commission

November 17, 2016

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Copies of all rate tariffs are on file at Empire's headquarters at 801 North Broadway, Cortez, Colorado, and are available for inspection during regular business hours. Any customer who desires to complain about the proposed changes may file a written complaint at 801 North Broadway, P.O. Box K, Cortez, Colorado, 81321, at least 10 days before the proposed effective date.

Empire may hold a hearing to determine what final changes will be authorized. The changes ultimately authorized may or may not be the same as those proposed. Any customer who desires to receive notice of the hearing is required to make a written request to the above address at least 10 days before the proposed effective date.

Empire's board of directors passed the 2017 budget at the November 11, 2016 board meeting and authorized the Grid Access Charge increases to the above mentioned tariffs.

If you have any questions, feel free to contact me.

Respectfully,

EMPIRE ELECTRIC ASSOCIATION, INC.

Josh Dellinger
General Manager

cc: Division of Public Utilities

Notice – Empire Electric Association, Inc.

**Residential – Single Phase, General Service – Single-Phase, Irrigation – Single-Phase, and Power Cost Adjustment
Clause Tariff Updates
Effective January 1, 2017**

Empire Electric Association is proposing changes to its Residential – Single-Phase, General Service – Single-Phase, Irrigation – Single-Phase, and Power Cost Adjustment Clause rate tariffs. The proposed changes are scheduled to go into effect January 1, 2017.

Grammatical and formatting changes are suggested for each tariff mentioned above. These changes are meant to bring consistency to the format and clarity to the language of each. Increases to the Grid Access Charges of the single phase Residential, General Service, and Irrigation tariffs are also proposed. The Grid Access Charge is meant to reflect Empire's costs to establish and maintain a member's access to the power grid, regardless of the amount of energy used. The proposed changes are as follows:

Rate Class	Present Grid Access Charge	Proposed Grid Access Charge
Residential - Single Phase	\$30.73	\$32.00
General Service - Single Phase	\$30.65	\$32.00
Irrigation - Single Phase	\$30.70	\$33.00

At the November 11, 2016 board meeting, the Empire board of directors considered the 2017 budget as well as the cost of service study and approved these increases.

This will mark the first time since 2013 that these rate classes have seen a general rate increase. Raising rates is never a popular decision nor is it ever something our board desires to do. However, as our costs rise, rate increases become necessary. As a member-owned cooperative, Empire strives to keep rates low while providing excellent member service. The updated Grid Access Charges will allow Empire to earn a 3.78% rate of return on the Residential – Single Phase rate class, 3.99% on the General Service – Single Phase, and 1.53% on the Irrigation – Single Phase. Each of these rates of return is significantly less than the investor-owned utility average.

For any questions about this notice and/or the changes in the tariffs, please contact Josh Dellinger, General Manager or Mary Thiesing, Corporate Operations Manager at (970)565-4444 or toll free at 1-(800)709-3726.

Copies of all tariffs are on file at Empire's office at 801 North Broadway, Cortez, Colorado. These are available for inspection during regular business hours.

Anyone who desires to comment about the proposed changes may file a written comment to Empire at 801 North Broadway, P.O. Box K, Cortez, Colorado, 81321, at least 10 days before the proposed effective date.

The cooperative may hold a hearing to determine what final changes will be authorized. The changes ultimately authorized may or may not be the same as those proposed. Anyone who desires to receive notice of the hearing is required to make a written request at the above address at least 10 days before the proposed effective date.



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November 17, 2016

Ms. Eileen Iciek
Associate Vice President
National Rural Utilities Cooperative Finance Corp
20701 Cooperative Way
Dulles, VA 20166

Dear Ms. Iciek:

This letter is to inform CFC of a proposed change in Empire Electric Association's Residential – Single Phase, General Service – Single Phase, Irrigation – Single Phase, and Power Cost Adjustment Clause. The change will be effective January 1, 2017. This change is applicable to Empire's customers in both Colorado and Utah. This rate change was approved during the budget process at Empire Electric's board meeting November 11, 2016.

We are also enclosing for your information:

- A copy of a Public Notice that has been published in local newspapers of general circulation.
- Empire's notice to both the Colorado Public Utilities Commission and the Utah Public Service Commission

Copies of all rate tariffs are on file at Empire's headquarters at 801 North Broadway, Cortez, Colorado, and are available for inspection during regular business hours. Any customer who desires to complain about the proposed change may file a written complaint at 801 North Broadway, P.O. Box K, Cortez, Colorado, 81321, at least 10 days before the proposed effective date.

Empire may hold a hearing to determine what final changes will be authorized. The changes ultimately authorized may or may not be the same as those proposed and may include changes different than those tariffs proposed or currently in effect. Any customer who desires to receive notice of the hearing, if any, is required to make a written request at the above address, at least 10 days before the proposed effective date of the rate increase.

If you have any questions please contact me anytime.

Sincerely,
EMPIRE ELECTRIC ASSOCIATION, INC.

Josh Dellinger
General Manager



Empire Electric Association, Inc.

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November 17, 2016

Mr. Victor T. Vu, Deputy Assistant Administrator
Rural Development Electric Program
U. S. Department of Agriculture
Room 0270 South Agriculture Bldg, Stop 1568
14th & Independence Avenue, S.W.
Washington, D.C. 20250-1568

Dear Mr. Vu:

This letter is to inform CFC of a proposed change in Empire Electric Association's Residential – Single-Phase, General Service – Single-Phase, Irrigation – Single-Phase, and Power Cost Adjustment Clause. The change will be effective January 1, 2017. This change is applicable to Empire's customers in both Colorado and Utah. This rate change was approved during the budget process at Empire Electric's board meeting November 11, 2016.

We are also enclosing for your information:


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Empire may hold a hearing to determine what final changes will be authorized. The changes ultimately authorized may or may not be the same as those proposed and may include changes different than those tariffs proposed or currently in effect. Any customer who desires to receive notice of the hearing, if any, is required to make a written request at the above address, at least 10 days before the proposed effective date of the rate increase.

If you have any questions please contact me anytime.

Sincerely,
EMPIRE ELECTRIC ASSOCIATION, INC.


Josh Dellinger
General Manager

cc: Arsenio L. Dela Cruz, RUS GFR w/ attachments

RESIDENTIAL – SINGLE-PHASE

(Rate Title or Number)

AVAILABILITY:

Available to customers of the Cooperative for all residential uses.

RATE

TYPE OF SERVICE:

Single-phase at available secondary voltage

RATE:

Grid Access Charge per month @

\$32.00

Energy Charge per kWh @

\$0.09599

Subject to any applicable franchise fees and or sales taxes

CONDITIONS OF SERVICE:

Service under this schedule is limited to individual motors up to ten horsepower (10hp) unless otherwise approved by the Cooperative.

POWER COST ADJUSTMENT CLAUSE:

The power cost adjustment applies to all billings under this rate schedule. The clause is described in Tariff No. 9 – Power Cost Adjustment Clause

ELECTRIC SERVICE REGULATIONS:

Service under this schedule will be in accordance with the terms of the Rules and Regulations of the Cooperative as approved by the Cooperative's Board of Directors, and any regulatory authorities having jurisdiction.

Advice Letter No. 138

Issue Date 12/01/2016

Decision or Board Action
Authority No. 11/11/2016

Signature of Issuing Officer

General Manager
Title

Effective Date 01/01/2017

name of utility

2nd Revised

Sheet No.

4A

Cancels

1st Revised

Sheet No.

4A

GENERAL SERVICE - SINGLE-PHASE

(Rate Title or Number)

AVAILABILITY:

Available for all single-phase commercial and small industrial, farm, and other non-residential usage requiring no more than 75 kVA average monthly demand.

TYPE OF SERVICE:

Single-phase at existing voltages.

RATE:

Grid Access Charge per month @

RATE

\$32.00

Energy Charge per kWh @

\$0.10755

Subject to any applicable franchise fees and or sales tax

CONDITIONS OF SERVICE:

1. The rated capacity of single-phase motors shall not be in excess of ten horsepower (10 hp) unless otherwise approved by the Cooperative.
2. Customers having their homes on the same premises with their business establishments may include service to both on the same meter, in which case all service will be billed under this schedule, using the rate set out above. The Customer may make provision for two meters, in which case usage for residential purposes will be billed under the appropriate residential schedule, and usage for business purposes will be billed under this schedule and rate.

POWER COST ADJUSTMENT CLAUSE:

The power cost adjustment applies to all billings under this rate schedule. The clause is described in Tariff No. 9 – Power Cost Adjustment Clause.

ELECTRIC SERVICE REGULATIONS:

Service under this schedule will be in accordance with the terms of the Rules and Regulations of the Cooperative as approved by the Cooperative's Board of Directors, and any regulatory authorities having jurisdiction.

Advice Letter No. 138

Signature of Issuing Officer

Issue Date

12/01/2016

Decision or Board Action
Authority No. 11/11/2016General Manager
Title

Effective Date

01/01/2017

IRRIGATION – SINGLE-PHASE

(Rate Title Or Number)

AVAILABILITY:

Available for all single-phase irrigation usage requiring no more than 75 kVA average monthly demand.

RATE

TYPE OF SERVICE:

Single-phase irrigation at existing voltages.

RATE:

Grid Access Charge per month @

\$33.00

Energy Charge per kWh @

\$0.11289

Subject to any applicable franchise fees and or sales taxes

CONDITIONS OF SERVICE:

1. The rated capacity of single-phase motors shall not be in excess of ten horsepower (10 hp) unless otherwise approved by the Cooperative.

POWER COST ADJUSTMENT CLAUSE:

The power cost adjustment applies to all billings under this rate schedule. The clause is described in Tariff No. 9 – Power Cost Adjustment Clause

ELECTRIC SERVICE REGULATIONS:

Service under this schedule will be in accordance with the terms of the Rules and Regulations of the Cooperative as approved by the Cooperative's Board of Directors, and any regulatory authorities having jurisdiction.

Advice Letter No. 138

Signature of Issuing Officer

Issue Date 12/01/2016

Decision or Board Action
Authority No. 11/11/2016General Manager
Title

Effective Date 01/01/2017

name of utility

4th Revised

Sheet No.

9

Cancels

3rd Revised

Sheet No.

POWER COST ADJUSTMENT CLAUSE

(Rate Title or Number)

APPLICATION:

This Power Cost Adjustment Clause is applicable to and becomes a part of all retail rate schedules and is applicable to all sales thereunder.

BILLING:

1. The Power Cost Adjustment (PCA) in dollars per kilowatt-hour shall be a charge/(credit) that is included in monthly member bills. The PCA shall be calculated annually in January, shall take effect on February 1 of each year, and shall remain in effect for the following 12 months. The PCA shall be calculated as follows:

$$PCA = A/B - \text{Base Rate} + R$$

Where:

A = Total dollars of purchased power costs for the preceding 12 billing months calculated at the current wholesale rate. If the wholesale rate for purchased power changes mid-year, then A will be calculated as follows: Total dollars of purchased power costs billed at the prior rate during the year + (the usage based on prior year actual usage for any months not billed under the prior rate multiplied by the current wholesale rate).

B = Retail sales in kilowatt-hours for the preceding 12 billing months.

R = (Over)/Under Recovery Term, in dollars per kilowatt-hour (See below)

The Base Rate for this calculation is:

Residential Single Phase - \$0.07257/kWh

General Service Single Phase - \$0.07666/kWh

Irrigation Single Phase - \$0.07867/kWh

General Service Three Phase - \$0.07668/kWh

Irrigation Three Phase - \$0.07687/kWh

Large Power - \$0.04034/kWh

Transmission Service - \$0.04034/kWh

Over/(Under) Recovery Term Calculation

After each 12-month period ending December 31, an (over)/under recovery term shall be calculated. The units for this term will be dollars per kilowatt-hour. This term will be included in the PCA calculation to account for the difference in the Cooperative's actual purchased power cost for the period and the amount it billed customers for purchased power through the base rate plus the PCA. The (over)/under recovery term shall be calculated in the following manner:

$$R = (PPB + BAL - PPR) / S$$

Where:

PPB = Purchased Power Cost billed to Cooperative from its power supplier for the prior 12-month period

BAL = Prior year R * Prior year S

PPR = Purchased Power Cost recovered from customers through the application of base rates and the PCA for the prior 12-month period

S = Estimated kWh Sales for next 12-month billing period

2. For rates with an applicable Generation Demand charge, a Generation Demand Cost Adjustment (GDCA) in dollars per kilowatt shall be calculated each month and included in applicable monthly bills. The GDCA shall be determined each month as follows:

$$GDCA = R - \text{Base Rate}$$

Where:

R = Current Generation Demand rate charged by our wholesale supplier

The Base Rate for this calculation is:

Large Power - \$9.95

Transmission - \$10.10

3. For rates with an applicable Transmission Demand charge, a Transmission Demand Cost Adjustment (TDCA) in dollars per kilowatt shall be calculated each month and included in applicable monthly bills. The TDCA shall be determined each month as follows:

$$TDCA = R - \text{Base Rate}$$

Where:

R = Current Transmission Demand rate charged by our wholesale supplier

The Base Rate for this calculation is:

Large Power - \$8.81

Transmission - \$8.96

Advice Letter No. 138

Signature of Issuing Officer

Issue Date 12/01/2016

Decision or Board Action
Authority No. 11/11/2016General Manager
Title

Effective Date 01/01/2017